



Enhancing Employee Performance through Monetary Incentives

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Abstract

Financial incentives encourage employees to focus on their next steps, recognise their responsibilities within the company, and recognise their benefits. This approach also generally improves staff morale by rewarding employees financially for their performance. Every employee in any organisation benefits from monetary incentives in one way or another. In addition to non-monetary benefits like free food, transportation assistance, paid time off with family, and healthcare options, monetary incentives encourage employees to work hard for the organisation. Salary and bonuses are examples of monetary incentives that drive employees. In fact, many workers and employees in firms frequently sign up to the inducement of employer-supplied health insurance packages in the United States and in several Western countries where healthcare is not provided by the government. Furthermore, the further up the organisational ladder you are, the more likely you are to be eligible for benefits like paid time off, chauffeur-driven automobiles, ESOPs (employee stock option plans), and luxurious lodging that is covered by their company. In addition, depending on their performance, midlevel and junior level employees in many corporations receive some of these advantages. Put another way, these rewards are frequently employed by businesses to improve worker performance. In addition, the organisation benefits from fresh ideas and initiatives. It is true that in order for the organisation to grow, efforts should be made to enhance the mental toughness of the workforce; nevertheless, financial compensation should also be provided. Analysing the impact of monetary and nonmonetary awards on employees' performance is the primary goal.

Keywords: 1: Monetary Incentives 2: Non -Monetary Incentives 3: Business Market 4: Productivity 5: Financial Rewards.

1. Introduction

The term "incentives" refers to a means of providing motivation to individuals or staff members inside an organisation. Monetary and non-monetary rewards are examples of incentives. "Employee performance improves with increased profits or incentives." It is given to the employees as compensation for their exemplary job and hard effort. Wages and wages are comparatively set, but incentives vary from person to person and sometimes even within the same individual. A person who receives additional compensation in addition to their wage is referred to as an incentive. "Rewards that vary according to variations in the achievement of specific results" is one definition of an incentive. Incentives are paid to employees on a regular basis in addition to their compensation, depending on how well they perform. A reward is meant to inspire both individual and collective performance. Therefore, a "incentive wage

system" is any wage structure that encourages employees to create more. One of the key elements in encouraging employees to work more productively and efficiently is offering incentives. A worker is drawn to incentives, which motivate him to put up more effort in his task. Even still, money is a powerful incentive for people to work since it satisfies their physical and other needs and is essential to their ability to support themselves and their dependents. Common people from the middle class typically place a higher value on money. An incentive encourages employees, which raises their spirits and pushes them to perform more and better work at the lowest possible cost. Better performance and physical strength are the results of incentives. It's a term used to describe motivations in an external condition whose purpose is to augment or already exist within the action. Both monetary and non-monetary rewards

are very beneficial to the employee in the company, just as the company benefits from the individual's high-quality, productive work.

2. Meaning of the Monetary Incentive

Monetary incentives is to reward associates for excellent job performance through money. productivity and efficiency by creating a motivation or goal for employee's Monetary incentives include profit sharing, project bonuses, stock options and warrants, scheduled bonuses (e.g., Christmas and performance-linked), and additional paid vacation time. Simply, we can say monetary bonus can be a simple mechanism to motivate and influence positive employee behavior [1-3].

2.1. Monetary Incentives

Some examples of monetary incentive are as follows

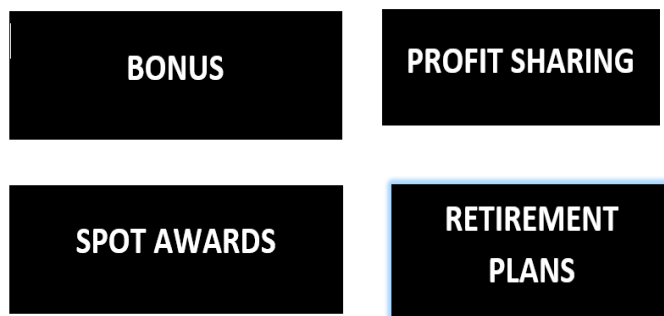


Figure 1 Some Examples of Monetary Incentive Are as Follows

2.1.1. Bonus

An employee receives a bonus as a means of encouraging them to work well all year long. Bonuses are typically given by companies in response to a specific accomplishment that satisfies their standards. Retention incentives are another incentive that many businesses are prepared to offer to retain staff. A cash incentive known as a retention bonus is given to staff members who have been with the company for a predetermined period of time. They provide it as a perk to make sure workers stay with the company.

2.1.2. Profit-Sharing

Employees receive profit-sharing, a variable reward, when the company makes money. Growth in net profit or revenue, or both, is used to measure it. For instance, the employer may propose to give its staff members a portion of the business's earnings. Profit-

sharing is frequently used to inspire staff members and urge them to concentrate on the long-term success of the business.

2.1.3. Spot Awards

Spot awards are a really enjoyable and successful method to recognise your employees. They are also simple and quick to carry out. Spot awards are usually given by management, however on certain third-party sites, peers can also award spots [4].

2.1.4. Retirement Plans

Everyone wants to retire early, right? For all employees, the idea of providing retirement plans as a form of employee incentive program is appealing. Figure 1 illustrates how the government of the United States is one of the few nations that permits employers to offer tax-deferred retirement plans.

3. Need for The study

The main objective of this study monetary and non-monetary incentives is an encouragement of their efficient and effective work. If they are not getting proper remuneration or salary according their work in the organization or company. Sometimes they will be discouraged instead of encouraged in the work [5].

3.1. Literature Review

The most important thing of any organization is employees, it is also very important to encourage employees with positive attitude in order to make them strong and to make profit margin. In this way the organization know how to motivate their employees. Not only MONETARY way but also, they can services like PF, ESI and any other medical facilities etc. In NON –MONETARY to encourage them. The appreciation of any employee plays a key role in any organization apart monetary and non-monetary incentives.

3.2. Significance of The Study

Analysis to study of financial rewards to the employees in the organization, we need to focus on the performance of the employee in competitive business market. This is chain we need to concentrate. The purpose of study focus on the below points of monetary incentive.

- Monetary incentives lead a parent role of an employee to focus on their future step, understand their responsibility in the organization, and understand their benefit also

this system changes staff work morale so generally thorough the way of financial reward enhancing employee performance. According to the business survey monetary incentives or rewards can help to motivate employees toward business performance.

- In a large business environment, incentives and rewards are building a strong relationship between the business platform and employees. This positive relationship makes a healthy business bonding between monetary incentives and the performance of an employee.
- Importance of monetary incentives enhance employee performance the monetary the monetary incentive system leads a responsible job to enhance employee performance in the global business market.
- The rewards make employee happy and motivates towards work in the organization.
- Monetary incentive builds a good relation between the colleague and the customer for the productivity of business.

3.3. Objective of The Study

- Increase the quality of work and business productivity through an incentive system.
- Build a good relationship between colleges as well as a customer for business productivity
- The incentive method appreciates a positive attitude among business employee performance
- Employee active mentality enhancing business productivity through incentive process.

From The Below Pie Diagram, We Can See That the Percentage of Employees Status, shown in Figure 2.

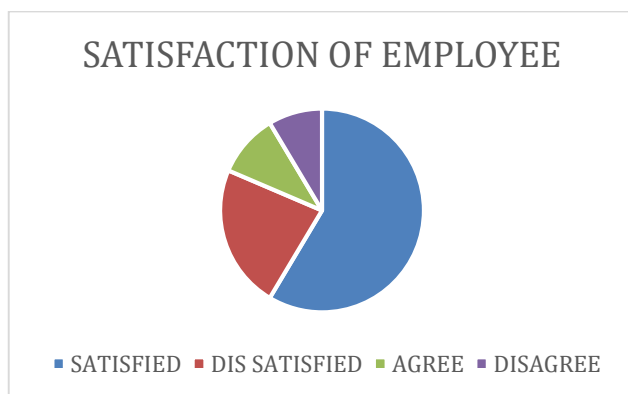


Figure 2 Percentage of Employees Status

- The maximum employees are satisfied with the monetary incentives from the organization they are working.
- Remaining is dis satisfied according the type of incentive they received for their work.
- Some are agree with points are some are disagree with the points.

Conclusion

In the business sector, employee incentive programs have gained a lot of traction. Although this program was first used by the military, it has since extended to most businesses as a fantastic tool to inspire staff members to perform better within their particular organisations. The terms employee incentive program, employee reward program, and employee recognition program are frequently used synonymously. The goal of total incentives, which encompasses all of these concepts, is to boost worker productivity and overall business success. In the current competitive market, an organisation can only achieve tremendous success if its employees operate effectively and efficiently.

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